

**ECONOMIC DEVELOPMENT & ENERGY
of the
Suffolk County Legislature**

Minutes

A regular meeting of the Economic Development & Energy Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Auditorium of the William H. Rogers Building, Veterans Memorial Highway, Smithtown, New York, on **April 20, 2001**.

Members Present:

Legislator Jon Cooper - Chairman
Legislator Andrew Crecca - Vice-Chairman
Legislator Martin Haley - Member
Legislator Ginny Fields - Member

Also In Attendance:

Paul Sabatino - Counsel to the Legislature
Gerard McCreight - Aide to Legislator Cooper
Linda Bay - Aide to Presiding Officer Tonna
Kevin O'Hare - Aide to Legislator Crecca
Todd Johnson - County Executive's Office
Jeff Laino - CDC of Long Island
Gordian Raacke - CAP
Mark Serotoff - Townline Association
Ed Petrocelli - KeySpan
Michael Corrigan - KeySpan
Bill Davidson - LIPA
John Ross - Long Island Market Authority
Jim Hartnell - Suffolk County Economic Development
John Mendola - Townline Association
Allen Leon - Townline Association
Eileen Anderson - CDC of Long Island
Trevor Davis - CDC of Long Island
Wilbur Klatsky - CDC of Long Island
Wayne Horsley - Town of Babylon Councilman

Minutes Taken By:

Patricia Patriss - Court Stenographer

(*The meeting was called to order at 2:48 P.M.*)

CHAIRMAN COOPER:

I would like to welcome everyone a belated welcome to the April 20th meeting of the Economic Development & Energy Committee. I'd like to start of with a Pledge of Allegiance. Legislator Crecca, please, if you could lead us.

Salutation

Thank you. We have a number of speaker cards filled out. First I'd like to call up several representatives from the Community Development Corporation of Long Island. We have Trevor Davis, Jeff Laino if I'm pronouncing that correctly, Eileen Anderson, and Wilbur Klatsky. Please come forward in no particular order. Thank you for coming here this afternoon, and before you speak if you could please introduce yourselves.

MR. KLATSKY:

Yeah. My name is Wilbur Klatsky. I'm the President CO of the Community Development Corporation of Long Island, located at 2100 Middle Country Road in Centereach. And as of way of background, I guess, to some degree is that John and I, I guess met some months ago and discovered the range of programs that are affecting your constituency as well as ours, and wanted to have the opportunity to explore those with you during the course of a few minutes. And I just want to set the theme up some degree in that the basic theme of the corporation is asset building to those who normally have the most difficulty of creating assets. And that particular theme will be struck by each one of my associates.

Our principle areas of interest have been and will continue to be housing, lending to the small business community and weatherization, which is a program that affects constituency in every district in Suffolk County as well as on Long Island in general. So we're the asset builders for Long Island. We've been operational now for some thirty-two years. We probably are the largest 501C3 not-for-profit without the housing and the lending areas, have done a range of joint programs with the County over the course of that time and I know we have a limited amount of time, so I'll just drop off, and I guess I'll turn this over to Trevor Davis first. Thank you for inviting us.

MR. DAVIS:

My name is Trevor Davis, Chief Lending Officer, Senior Vice President of Community Development Corp of Long Island. I'm in charge of running a wide range of lending programs, specifically to get access to capital, to businesses who have been denied credit through traditional financing.

Our major program is a United States small business administration micro loan program. This is where we give loans up to thirty-five thousand dollars, fixed rates, five year periods, maximum terms and we just came from a conference at the Long Island Association where we were given a pinnacle award for being the most active micro lender in the New York region. That also includes Manhattan, the Bronx, etcetera. We are proactive.

While we were there we also made a loan to a small business borrower, Bernardo Munoz, Jr., who runs a record shop in Brentford called Ivet Records specializing in CDs to the Latino community. He wants to open up a second record shop in Central Islip. We financed that to the tune of twenty thousand dollars. So he's a maximum loan amount to us from thirty-five thousand. While there, Bernardo said that he's going to come back in six months time for more money from us.

We have met our cap with the micro loan program. When he comes back to us we'll be able to give him money out of something called Long Island Business Growth Fund. This is one where we'll receive funding through the US Treasury Department. We have six hundred thousand from them, and will be able to lend Bernardo a maximum of seventy-five thousand dollars under this program. And again, fixed rates, competitive financing terms and also, also very important, only if he's not able to get traditional bank financing.

Another program we run is a very interesting one, both in Suffolk and Nassau County, childcare lending. In-home daycare providers nationwide provide the most childcare facilities and these individuals are taking children within their home, a maximum of twelve kids if they're group family daycare providers. These are licensed daycare providers and traditionally they cannot get bank financing because number one, the banks don't see them as businesses. Number two, they don't show out the cash flow to repay a loan. We'll provide financing up to twenty-five thousand dollars with a maximum term of five years and also the interest rate is only five percent. This is due to the fact that we get our funding through grants from banks and from Long Island funders. We just don't lend the money to these individuals. They must also pass a very stringent quality survey called the Harms and Clifford Survey to prove they are in fact running a quality daycare center.

The next type of loan program we have is something called a mezzanine loan program. Present this morning also with us at this ceremony, at the ESPE Award Ceremony was a gentleman named Lucian Saint Cyr, a Haitian American thirty years old. He just came to us two months ago he wanted to buy a TCBY Franchise in Huntington located on New York Avenue and Gerard. He needed a hundred and twenty-five thousand dollars. His bank was willing to lend him seventy-five thousand dollars fully secured I might add. We lent him an additional fifty thousand dollars unsecured money to help him fulfill his dream of building assets through buying his own business.

He's running that business now and I encourage anybody to stop in and get a yogurt from Lucian Saint Cyr.

CHAIRMAN COOPER:

I go there about once a month.

MR. DAVIS:

Once a month. He'll be glad to see you. How do we fund this program? This program is a consortium of eight banks, each of whom put in about approximately a hundred thousand dollars into a pool of funds, which we managed for them. It's called the Nassau Suffolk Business

Development Fund. And we'll go in partnership with any one of these eight banks to provide their clients with loans that they're not able to get through traditional means.

When we do all this we also don't forget that as we're dealing with the larger credits. We also have very small in-home people looking to struggle to get their own little businesses off the ground. We provide a grant program called the Micro Grant Program, or we like to call it the Trickle Up Program. Traditionally the economic strength in the Country is supposed to trickle down to the poorest. We'd like to see it trickle up from the bottom.

We'll provide seed money up to seven hundred dollars to anybody looking to start their own in-home business as long as they're poor. They must earn less than fifteen thousand dollars a year as an individual. And it could be for any legitimate business purpose. If they provide us with a business plan, if they provide us with a financial projection, we'll provide them with seven hundred dollars.

One individual for instance was Vanessa Henderson who started Vanessa's Chocolates. She got a grant from us to get on the Internet. I'm proud to say right now Vanessa has opened up her first store in Patchogue and her dream has come true.

Finally, our last program that we offer is something called a technical assistance program. These borrowers we lend to are marginal. They need assistance. They need assistance in terms of how to run a business, how to make contacts into -- for professional help such as lawyers and accountants and so forth. And they also need knowledge in how to actually keep records for instance. We run a core for technical assistance program where we give short intensive workshops and we provide mentoring and counseling services to these individuals. Thank you very much.

CHAIRMAN COOPER:
Thank you.

MR. KLATSKY:
Eileen Anderson, a Vice President of the corporation and from the housing perspective probably runs one of the more exciting programs not only in Suffolk and Nassau County, but probably from a national perspective. Eileen.

MS. ANDERSON:
Thank you. Well, I get all excited hearing this so now it's like moving over from small business over to home ownership. I oversee our

home ownership center which actually will be kicking off as a grand opening of our brand-new home ownership center this June. Home ownership centers are a one stop shop where on Long Island we're able to help first time home buyers reach that dream of home ownership. Many families who come in to us come in not even knowing where to start in the process or they've been out looking at homes and they get very confused and they don't know how do I even start or what do I need. And most families we find who come in who think that they're ready to buy a home usually need six months to a year to really be ready.

So the concept in what we do is we meet with the family. They come in, they learn about the programs and they're able to sit with the housing counselor who will do a full assessment of what their needs are whether it be from credit all the way through to savings of money. And we have match programs that we work with them on. We're making sure that they are hooked into the community with the programs that are appropriated, and usually the communities where they're looking to live and buy a home and then working with the professionals out in the real estate community and our bank partners right through closing.

And the family, upon coming into us -- traditionally, what we're finding is that while many families are rated by a home and they have good credit, savings and down payment and closing costs here on Long Island being what they are takes a little longer for them to come together for that so the education that's provided during that time helps them understand what process they're going through. And that is offered to any first time home buyer on Long Island coming in. And we're able to work with them through the insurance community, through the mortgage community, through the real estate community, through engineers, contractors, and anything that they're going to need when getting their home. Many families will come back in after getting an engineers report, sit with us, review it, asking questions, so that when they're going forward they're very prepared for what their doing.

And that is the -- over last year we counseled over three hundred families here on Long Island just on the terms of first time home buyers. We had over a hundred and fifty, I think it was closer to two hundred families, actually close on their first home here on Long Island. So very, very pleased about that. Through that what we found also though is that credit and financial management is a very large part of the processing tool and that with all the studies now coming out that most Americans and young Americans coming out of colleges are twenty-five hundred dollars in debt before they're even dealing in credit card debt, before they're even dealing with college loans.

Well, many of the families we're dealing with are low income on Long Island and don't even understand what their credit is.

We have a program called Financial Fitness Health and Wealth, which is an eight week program, which will actually be working with anybody who wants to come in whether they're a homeowner or looking for home ownership or not even looking for home ownership just to deal around issues of budget credit counseling understanding how the repair credit issues if there's repair issues. Understanding what credit is, the meaning of credit and understanding how to set up a budget and savings plan so that families can start putting money aside, whether it be for future education, whether it be for business or whether it be for going toward home ownership and that program is being kicked off in May and we're very excited about that.

Through that we also have an insurance education and home improvement program where we also found that many times first time home buyers and homeowners find that insurance especially -- and everybody says I had to get insurance because I bought my home so I just got it. You know, I had to have it. But understanding insurance as a financial tool is a more important part of the process for them so that we have

insurance professionals, and we've partnered with seven insurance companies who actually were going out into the communities, providing education and understanding as a homeowner what it means to have insurance, what kind of insurance and how to maintain your home, how to keep your home going.

And actually when Jeff talks about it he'll talk about the other exciting half of that program. And on our side though we're talking about the education. Whether your a first time home buyer or now become a home buyer or have been a home buyer for a while. Insurance is a very important concept that most people really don't realize until they sit down through a seminar and understand the complexities, understand how important it is as a focal point for themselves for their future if anything is to go wrong.

So the education on the first hand is very, very important. And with that we also have started last August our Section 8 home ownership program, which is here in Suffolk County. We rolled it out in August. We closed two homes out in Shoreham in August and October of last year. We are having another closing in Mastic in the end of April, beginning of May. And three other home owners who are actually in contract and ready to close probably in early June. And that program is utilizing their Section 8 Voucher for actually purchasing a home so they own the home. And we're working with them through the education

piece process and through the bank partners that we're working with to help them be able to get a first mortgage that would be no greater than thirty percent of their income go into their first mortgage. And through the Section 8 Voucher CDC of Long Island funding corp is actually writing a second mortgage to help them bring the difference to the table and then the second mortgage is being paid through their voucher. That would be normally being paid to a landlord.

It's a wonderful program and very exciting because most of our constituents under this program are single women, head of households with children and it's the families that typically come in who are earning anywhere between twenty-five thousand and thirty-five thousand here on Long Island, which are quite a few of our constituents and are having no luck finding their first homes because of the housing price and costs. And here they're able to buy a home in the community that they want to live in and a home that they've always wanted that they wouldn't have been able to buy in any other way.

So we're very excited about that in the response that we're getting and looking forward to helping many, many more Long Islanders be able to stay here. The one woman who was actually closing this month, which is really exciting, two years ago came to me, but way before we had this program, and said she wanted to be a homeowner. And I said, "Well, you know what, let's get you in a match program. Let's get some savings going and money going." And she happened to be already on Section 8 and in a family self sufficiency program working towards economic health. And I said, "You know what, maybe we can look at a co-op, maybe we can look at a condo at that point." But we didn't know.

And with the -- there's not only -- she had come to me about six months before the program started and said, I think I'm going to have

to move off of Long Island. I'm going to move down south. I just can't find anything here that I can afford and because of this program she's able to stay here, keep her kids in the school district that they wanted to be in and buy in the community that she wanted to live in. So we're very thrilled with that and looking for our future growth in partnerships just throughout Long Island to make this program more of a wonderful success.

With success -- home ownership though is not just putting people into their first homes. We're very committed to not only helping somebody become a first time home buyer, which is a wonderful process in itself, but maintaining their home ownership, keeping them in that home and only leaving that home when they want to leave that home not

when somebody comes knocking at their door.

So post purchase counseling is very important to us and they're offered to come back in for classes around insurance, home maintenance and repair, budgeting, because when once we own our first home of course we're then putting up all those lovely decorations and curtains and things that cost a lot of money and furnishings, and wanting them to understand that you still have to have a savings plan and maintenance and having to rebudget. And that's been going really well. And they've now come out with a study that definitely shows that face to face counseling and providing this education beforehand has diminished on the default side for many banks and many foreclosure rates then when it's done just either through the phone or a ten minute interview. And it's definitely our encouragement with our partners that we that we've been out there in the community to say these are people that are looking at buying a home. Have them come in, have them sit down. We offer these services for free. They're guided through the process in every step of the way and we're there to help them. Thank you.

MR. KLATSKY:

I just wanted to comment. I had mentioned asset building, but what the corporation really, you know, when you strip away some of the wording of this, it's really character lending and in some cases we have to spend some time on developing that character. So it's worked very, very well.

I'd like to introduce Jeff Laino and alert you that in every one of your districts there has been the weatherization of a low income person in every one of your districts. And we do roughly up to a thousand units a year through both Counties, and Jeff will tie in the insurance program too. Jeff.

MR. LAINO:

Hi. Good afternoon. I'm Jeff Laino, Vice President with Community Development Corporation of Long Island. My primary responsibility is the weatherization assistance program, which is a particular interest, I think to this committee because it's an energy conservation program. Our program is a grant program to low income Long Islanders where we do energy efficiency work in people's homes.

The program dollars come from the Federal Government Department of Energy and they go to the New York State Division of Housing and then

they get distributed out throughout New York State. Community Development Corporation handles Suffolk County for the State. We've

done about six thousand units across Long Island over the last ten years or so. We do approximately six hundred units a year in Suffolk County and it's interesting to note that we get approximately a hundred and seventy-five referrals a year from the Suffolk County Office for the Aging. So they've been a big help in marketing the program, attracting clients to the program. And that's been a real successful partnership.

Our program tries to minimize the energy burden for low income folks and help preserve their assets. The rising costs of oil last year and in particular and this year in gas really has a major impact on somebody on a fixed income and we've documented energy savings of an average of twenty-five percent for each of our clients. So with the high price of fuel this could be a significant savings for someone on a fixed income.

The weatherization program is the lead program, but as offshoots to the weatherization program we provide a variety of home improvement programs. What we were finding is that the weatherization was so focused on energy conservation that we had to walk out of a house that might have needed a cesspool pool or electrical work or other kinds of rehabilitation work to keep a low income person in their house and have that house be safe and sound and kept up and keep them on Long Island in their home. So we've created a variety of programs through different funding sources to match up with weatherization and do this rehab work for people. It's been a real success. We've just really been gearing up the last year and we've done properly sixty jobs or so under these other programs to augment the weatherization assistance program.

One of the new programs that Eileen was alluding to earlier had to do with our insurance education and loss prevention program. Now everybody who receives weatherization also receives a home safety survey, which would identify hazards in the home that could lead to people having to make an insurance claim and possibly then be forfeiting their insurance. It's basically a preventative maintenance program where we'll try and rectify any problems associated with potential fire hazards, water, wind, theft, and liability issues. So we're doing work like installing stoops and putting in new heating systems, upgrading electrical work, things like through that program.

So we're now able to provide a -- really a whole house approach to renovating a home, bringing it up to code, and making it more energy efficient. So we're really excited about the program and we're finding a strong demand for the program with the rising cost of fuel in this region.

Thank you for this opportunity.

CHAIRMAN COOPER:
Thank you, Jeff.

MR. KLATSKY:
We have information we can leave, and we are also among other things

one of the more comprehensive not-for-profits, and we also run the largest Section 8 program in Suffolk County with over two thousand units under the umbrella. We've just completed -- not having to do with the Section 8, we also are a tax credit developer. We just completed two hundred fifty-six units of housing for the elderly in a program called Woodcrest in Port Jeff Station.

LEG. HALEY:

That's what my question was.

MR. KLATSKY:

We have a job start underway presently for two hundred and eight units in the Town of Babylon and we have one that we hope to get a start this summer for of a hundred and eighty-seven units all geared toward elderly affordable in Patchogue near Memorial Hospital. The interesting thing about the Memorial Hospital program is that we've also joined forces with the hospital itself and we're starting to put a program in place that will deal with the frail elderly as part of the program.

So we also completed, or worked with the Town of East Hampton probably a year and a half ago to complete forty-nine units under the tax credit program. Those were family units. In some cases we're able to make a Section 8 voucher project base to go with a specific job. It helps get more people at that lower income within the program.

So we've been doing a range of different things. Working out of the box quite often and what we intend to do -- we've been accused of being the best kept secret on Long Island. What we intend to do is, is now do a range of mapping activities by your districts, and on a quarterly basis provide you with what is happening within your district with either a small business loan, with a house closing, with a weatherization. So you get a more -- a better understanding.

A couple of other things I'd like to alert you to is that the banking program that we've established called a multi bank does have participation. George Gatta is one of the board members of that particular group. So we've been working on a really constant basis and George was also, and Alice Amrhein was also very much instrumental of helping as to develop the childcare lending program in Suffolk County. So if you have any questions, we're open and we'll leave you with material.

CHAIRMAN COOPER:

I did have one -- a couple of questions, but the first Wilbur, the funding that's available to residents of Suffolk through CDC, will funding levels be increased this year do you think over last year or --

MR. KLATSKY:

Dramatically. I think -- we did an analysis of that a couple of years

ago and probably in the last four or five years we started off with brining in money into the County, which was probably in terms of fifteen million, is now just about thirty million dollars a year with the range of these activities.

CHAIRMAN COOPER:

And could you accommodate additional clients if they report to you? Are you at your limit right now?

MR. KLATSKY:

No. We -- I mean, again, small business lending, again, we're the most active, and the quicker we put the money out, the quicker we go for a third or fourth contract. So we are looking -- we are looking for clients constantly within all of the programs.

LEG. HALEY:

Excluding Section 8.

MR. KLATSKY:

Well, Section 8 is sort of a bellwether kind of a program, which gives you some indication of the housing crisis on Long Island. We have a waiting list that goes -- not in terms of numbers in terms years and unfortunate to say, very unfortunate to say that people die before their next voucher is available. It's unfortunate. Although we were one of the few in the Country incidently to get an additional two hundred units, two hundred vouchers about two or three months ago, very unusual, and they're almost all out already, and we run -- this particular list we maintained is almost a religious type of a situation where no one, it's on a restrictive lottery basis and when that gets picked out they stay in that position. There's no pushing people around within their list. So we guard it very, very judiciously.

LEG. HALEY:

As does the Town and the County. May I? Thanks. I just sent a letter over to the Commissioner of Planning, it said that until I resolve some problems at Woodcrest I would not support any expansion of that particular project, which I'd be more than happy to meet with you at another time in if interest of moving things along to go over a list of issues concerning that. I'll give those to you now and then I'd like the get an idea of your specific relationship with the developer in that regard. I think one of the biggest problems we have with senior citizen housing per se and particularly the tax credit program. Section 8 is, I think, pretty straightforward or at least it's straightforward enough where most people understand it.

Woodcrest has two hundred and fifty-six unit s.

MR. KLATSKY:

Correct.

LEG. HALEY:

I had an awful lot of residents come to my office and I've received a number of calls concerning what was a number of problems. I think the biggest problem in my view anyway being a real estate broker and understanding some of the concerns around disclosure is I don't think a lot of them really understood what their program was. They don't -- a lot of them when they look at a typical lease, don't read through the entire lease because the ones I talk to were unaware that technically that -- even though they have a year lease that rent could be raised within thirty days notice. Not that the developer or the owner of the property does that. They tend to not do that because it

just makes for ill will.

The other problem I have is that I'm developing -- cause I'm going to meet with the Town. I'm not looking to oppose anything, but until such time I resolve a couple of issues specific to Woodcrest, obviously because it's in my district, is the distinction between the requirements that are normally put forth by the town concerning PRC or PRC 3, that's the zoning within the town.

MR. KLATSKY:

Correct.

LEG. HALEY:

And how that relates to what's represented when Woodcrest leases to individuals. Perfect example is I think sidewalks are a major problem and that's -- those types of things are addressed in the zoning portion.

MR. KLATSKY:

Correct.

LEG. HALEY:

It may not relate programmatically to the tax credit. But on the tax credit program I'm concerned about -- and I think it's pretty easy to do, is plain language, a simple cover sheet or something to make sure these seniors that go in there are well aware of it. And I think most of the problems that I've seen and I have a list back at my office, are landlord tenant related.

MR. KLATSKY:

Correct. We --

LEG. HALEY:

And I think that those are simple stuff. You know, I can simply ask management at the local level to do something. In other words they have a pool back there. They should have an emergency phone, you know, those types of things, having been there and done all of that. So that's just landlord tenant, but I'm concerned about appropriate disclosure because seniors -- a lot of seniors nowadays think senior citizen housing means this, and when they don't have this and all those items A through Z or D on it, then they're saying we didn't get this. This is supposed to be senior citizen housing.

So I don't know if it's an educational process, whether it's a disclosure process, whether it's a failed relationship between a developer and the town from a zoning perspective. So I've just gotten into that and again, it's a number of issues and I'm willing to work with anybody to resolve those for those people in that area.

MR. KLATSKY:

Well, we'll meet with you on that. And one issue you didn't bring up, which you should as a complaint, and we are part of a joint venture relationship with the builder and have been, and worked with him for the longest period of time until --

LEG. HALEY:

Well, I need you to define joint venture relationship. That's --

MR. KLATSKY:

We have a one percent relationship with the program, which helps him primarily secure the tax credits.

LEG. HALEY:

Right, and in return he also provides some Section 8 for you, right?

MR. KLATSKY:

Yeah, we provide him with some project base Section 8 so that in that particular program I think we have roughly thirty units that Section 8, which permits a lower rent affectively to the individual. But one of the problems, which I heard -- I was at a meeting last night with the director of the Town of Brookhaven's elderly program. One of the problems, and we recognize it, is transportation.

LEG. HALEY:
I know that.

MR. KLATSKY:
And I mentioned to her that I think I would set up a meeting with ourselves and Bob Wilder. In response to your other comment, clearly when you're dealing with an elderly demographics and population, and I was also historically in real estate I think, you're dealing with a class of people who tend to be -- feel more threatened and probably are more in that situation. So what we have done down there is we have provided the program with a geriatric social worker.

LEG. HALEY:
Right.

MR. KLATSKY:
And I think that has been, I think, a major step in delivering a more clearer message in regard to a whole range of things. Keep in mind the --

LEG. HALEY:
No, I understand that, but the problem is that they're already there then. I think -- I'm referring to disclosure ahead of time so they have a you know, a good sense of what they're getting into.

MR. KLATSKY:
Let me just comment to you too, I got, this morning at our awards breakfast lunch, or whatever it was, a banker came up and told me his mother's needs, and I said well, you have to get on the list like everybody else does kind of thing. But I did say to him that we find that it works much, much better if one of the children or friend of the family also come because in spite of simplicity of leases and documents, it does help to have a second set of eyes that are there during the process.

I would more than happily meet with you to talk about simplifying the actual --

LEG. HALEY:
Yeah, I would -- it's specific to my district so I don't want to take up too much time.

MR. KLATSKY:
Sure.

LEG. HALEY:

I'm a firm believer in trying to move things along, but the transportation is an issue that's -- it's a substantial problem throughout the town, and a substantial cost. And that's one of the reasons why they may want to provide transportation in there from their Jitney. For them to do it there would have wide ranging effects, and it's a very difficult problem. And I'm sure -- I'm willing to sit down and discuss that as much as you want.

MR. KLATSKY:

Good.

LEG. HALEY:

But my last thought about leases and having done many leases myself, you know, I think it's very easy to see that it's difficult for them to understand when they're signing a lease. And you know, some plain language ahead of time, whether you have your social worker on site or anybody on site to make sure they understand that.

In the mean time maybe we can sit down and resolve some of the problems of the existing people and then maybe we could eventually equate that to support for expansion of that whole project.

MR. KLATSKY:

Yeah, the -- again, as I mentioned earlier we're going to need your help, actually more the Town, but we're going to need help in regard to a totally different program, it's still credit, but a totally different program of a hundred and eighty-seven units adjacent, almost adjacent to Memorial Hospital. Also --

LEG. HALEY:

That's out of my district.

MR. KLATSKY:

But we'd still like your help.

LEG. HALEY:

I know, but you know, I try not to step on the Town's toes, but if it's within my district, I you know, I will sit down and meet with them concerning all of those issues surrounding zoning. So I'll give you my card and we'll get together.

MR. KLATSKY:

Great.

LEG. HALEY:

Thank you, Mr. Chairman.

MR. KLATSKY:

In fact, I think you cover where I live Shoreham.

LEG. HALEY:

Almost all of it.

MR. KLATSKY:

Yeah, and I'm the Deputy Mayor there. I think you've come to a number of our functions. So we'll have other reasons to talk.

LEG. HALEY:

Okay.

CHAIRMAN COOPER:

Are there any other questions from the committee? Wilbur, thank you very much for you and your colleagues coming down. I was, as you know, very impressed when I first met with you and heard about the programs that you offer. I'm even more impressed now. I for one am going to be referencing a number of these programs in the next issue of my newsletter and on my website and some of my colleagues may with to do the same. But thank you very much for coming down and for a fascinating presentation.

MR. KLATSKY:

Our pleasure. Thank you.

LEG. CRECCA:

Very informative. Thanks.

LEG. FIELDS:

I also would echo the sentiments of my colleagues, but one of the points you made was that you are a very well kept secret and what I'd like you to do since you do fulfill a great need for many, many people is to figure out some way to market yourselves so that we can all know -- I mean, we can do what we can do, but not everybody pays that much attention and I think you do fulfill a great need so --

MR. KLATSKY:

Yeah, we have attempted to get, I think, a little more understood, and you know, get on people's minds on a -- and I think there has been a bit of a change. I think we've had a lot more news coverage in the last year roughly. And we will attempt -- we're better at delivering services than we are at waiving the flags as to how great we are in what we're doing. But clearly, if we don't market well people aren't going to understand what the services are. So we have to get out under everybody's nose to let them know what we have available to service your constituency and ours.

LEG. FIELDS:

Thank you.

CHAIRMAN COOPER:

Thank you very much.

MR. KLATSKY:

Thank you all.

CHAIRMAN COOPER:

Before we move to the next speaker I'd just like to move very quickly to the agenda and take up two resolutions out of order if we could.

LEG. HALEY:

Mine can -- I'm going to table it anyway.

CHAIRMAN COOPER:

You're going to table it, okay. Make that one resolution.

LEG. HALEY:

Do you want to table it now because we need a caucus?

LEG. CRECCA:

No, we have --

LEG. FIELDS:

A caucus or --

CHAIRMAN COOPER:

A quorum.

LEG. CRECCA:

We have a quorum.

LEG. FIELDS:

I have to leave by four.

LEG. HALEY:

All right. So why don't we do it real quick. Do what you wanted. Let's go.

CHAIRMAN COOPER:

All right. Let's just take up IR 1339-00 - Authorizing the Grant of an Easement and Execution Thereof by the County of Suffolk on Property in the Hamlet of Edgewood, Town of Huntington, Commonly known as Fish Path, to Keyspan Gas East Corporation d/b/a Keyspan Energy Delivery Long Island (County Executive).

LEG. CRECCA:

Motion to approve.

LEG. HALEY:

Second.

CHAIRMAN COOPER:

Second the motion.

LEG. FIELDS:

On the motion. I would just as that -- I don't think we have -- do we have representatives here from KeySpan? Could I just ask, there is a preserve on the Edgewood property and when -- I don't know -- I don't think you've begun the digging for those pipelines or --

LEG. CRECCA:

Well, can we ask them to come up to the mike so that we have them on the record?

LEG. FIELDS:

Yeah, I thought it would be quick, but okay. Just really, really fast.

MR. CORRIGAN:

Good afternoon. I'm Mike Corrigan. I'm the Project Engineer for the gas installation.

MR. PETROCELLI:

I'm Ed Petrocelli. I work for Distributor Resource Management for Keyspan.

LEG. FIELDS:

I just wanted to -- did you start digging and placing --

MR. PETROCELLI:

Yes, ma'am. In fact, Suffolk County section is the last section to be completed and we're basically waiting on the decision of this board to continue and basically finish the project.

LEG. FIELDS:

Have you been digging on the preserve property?

MR. PETROCELLI:

We're not on the preserve at all. Actually, we're --

LEG. FIELDS:

But you will be, right? It just borders right on the edge of the preserve, right?

MR. PETROCELLI:

We're done with that basically. Yes, we're done with it.

LEG. FIELDS:

I was going to ask that you have great care when you dig, but if you've done it already --

MR. PETROCELLI:

We did. Actually, we were very cautious about it. We maintained primarily within the LIPA right of way and we did not encroach upon that section of property at all.

LEG. FIELDS:

That was the only question that I had. Thank you, very much.

CHAIRMAN COOPER:

I believe we have a motion to approve and a second. All those in favor? Opposed? Resolution 1339 is approved (Vote: 4-0-0-0).

And we could just do Sense 10-2001 - (P) Memorializing Resolution Requesting State of New York to Ensure Equitable Representation in Long Island Power Authority Board Leadership and Requesting Nassau

County to help Fund Consumer Protection (Haley).

LEG. HALEY:

Motion to table.

LEG. CRECCA:

Second.

CHAIRMAN COOPER:

Second. All those in favor? Opposed? Tabled (Vote: 4-0-0-0).

Now we'll move back to the public speakers. We have Allen Leon from the Townline Association. Hello Allen. Hello John. Hello Mark.

MR. LEON:

Mr. Chairman, members of the Legislature, thank you for allowing us to come here today. My name is Allen Leon. I am President of Townline Association and I would like to address you today on the proposed siting of a Power Plant by Pennsylvania Power and Light in the Kings Park, Commack area. And then additionally I'd like to make some comments with regard to the more general situation of electric needs for the County of Suffolk.

I will be brief, although I do ask your indulgence in that I may go a minute or two over and I would relay this story to you of a young lady that went to Abraham Lincoln when she was invited to his inaugural ball and she asked how long her dress should be and he said long enough to cover the subject, but short enough to be interesting. So I will be interesting.

LEG. CRECCA:

Did you hear that story firsthand, Allen? Sorry, go ahead.

MR. LEON:

This is a tough room, boy. Despite the rumors that I only have four digits in my social security number, no I did not hear that story firsthand.

With regard to the specific project in Kings Park I represent Townline Association. I'm the President. I also as Townline President represent over twenty-three thousand residents in our community. I live in Commack also.

We believe that the project is ill conceived and inappropriate. PPL, which is Pennsylvania Power and Light and for the purposes of this argument this afternoon I would ask that you allow me to use the word applicant instead of going through Pennsylvania Power and Light each time in that they are the applicant under the Article 10 process.

The applicant acting in concert with Newsday published an article about a month and a half ago depicting the distance between the facility and the nearby homes as eight hundred and fifty feet. Almost three football fields. If you look into the diagram that was published, you'll see that the applicant drew a dotted line around the northerly most buildings on the site through their twenty-one acre facility across the LIPA right of way, through the back yard, side

yard and front yard of adjacent homes, and drew an arrow to the curb line in front of the homes. In actuality, this is only really two hundred foot separation, the width of the LIPA right of way.

The proposed site for the applicant abuts the northerly part of the LIPA right of way, and the residential homes abut the southerly portion. It is truly two hundred feet away. It appears to me that the truth is inversely proportional to the advertising dollars that are spent, and I won't get into that, but I have made that statement.

The proposed site is only four tenths of a mile from the kindergarten through two grade school. Seven tenths of a mile to the Commack High

School and within very close proximity to the Birchwood Senior Citizen Assisted Living Facility, many churches and thousands of residential homes. It is truly too close, too close for them to be building a power plant in the vicinity of these residential areas.

The applicant has advertised their airy missions. However, what they're not telling us is what the aggregate emissions would be, taking their plan in concert with the Huntington incinerator, which by the way is also a twenty-five megawatt generator, and the landfills, the Northport electric generating plant, and the methane venting in the area from the landfills that are now closed. We believe that the aggregate sum is a burden too great for this community.

The applicant plans to donate five hundred thousand dollars to the Suffolk County Water Authority to decontaminate a closed well. Now, on the surface this looks very magnanimous. However, if one looks into it, the estimate to decontaminate the well is a one point six million. By the applicant offering to donate five hundred thousand they're forcing Suffolk County Water Authority to pass on one point one million to decontaminate the closed well.

Additionally, the plant would draw cooling water from the existing potable water supply forcing residents to drink water from a previously contaminated well. It doesn't make sense to me that we should drink water from that well meanwhile they're using our potable source to cool their jet engines.

I know that some members of the Suffolk Legislature have been influenced by the Lexicon air study. I'd like to make some quick comments on the Lexicon air study. First of all, the protocol developed for the Lexicon air study is by G.E. G.E. is also the manufacturer of the LM 6000 jet engines the applicant plans to use. One would expect to have a positive result from that protocol so G.E. can sell jet engines. A Lexicon air study is also based on displacement.

Now, the applicant claims that because they will be put on line, the older dirtier plants will not be producing as much. Yet in the initial part of the PSS, and that is the Preliminary Scoping Statement by the way, that was submitted to the Public Service Commission, the applicant claims that all available energy will be used up and they have to supply more, and that's why they're needed.

Well the two items seem to be opposed to each other. You can't say

you're going to need everything and at the same time say you're going

to displace the older plants. And in fact, if LIPA purchases the Keyspan plants, which I believe they're going to do it wouldn't make sense to purchase them and let them sit idle. At least I wouldn't do that in my corporation.

The applicant also talks about emission credits. Now, you'll have to bear with me because this appears to be something out of a George Karlin episode. The applicant plans to and buy emission credits from a plant and by their own admission is in Fairfield, Connecticut, that is closed down. And by buying those emission credits it allows them to emit on ratio of one point three to one pollutants in our County here and more specifically in Commack.

Well, if a plant is shut down now and not running, the algebraic sum is plus no matter how you do it. Aside from the fact that right now from that site we have no emissions. So I think the claim that they're going to clean our air is somewhat ludicrous.

The entire is only twenty point nine acres and only two hundred feet away from residential homes. I don't believe it's appropriate. I believe that there are more appropriate sites on Long Island.

I had an meeting with a CEO from another power generating company that is making a proposal for Long Island that said they looked at this before they picked the one that they're on now. When I say the one they're on is the one that they're proposing. And he claimed that if you draw a half mile radius from his existing location there are only thirteen homes. If you draw a half mile radius from this location, there are thousands of homes. And in fact this other CEO said that they first looked at this site and then abandoned it because it was inappropriate. There are some sites on Long Island that are more appropriate that you could take this entire twenty point nine acres, put it in the middle of and still have five hundred acres left as a border. We think that this is more appropriate.

I'd like to now make some comments about the applicant Pennsylvania Power and Light. Pennsylvania Power and Light is currently publishing this ad claiming that they want to be a good neighbor. Good neighbors don't submit a preliminary scoping statement on December 17th knowing that there's a twenty-one day window for comments, obviously, running over the vacation and holiday period. Good neighbors don't provide incomplete mailing lists to the PSC. Good neighbors don't submit twenty-two year old maps to the PSC depicting Commack as Fort Wilderness.

Good neighbors don't want to release seven hundred and one point four tons of pollutants, that's per year, two hundred feet from homes. Good neighbors don't mislead community and public officials by applying for a three hundred megawatt plant and having prior memos to LIPA and Keyspan explaining that they have every intention of going to six hundred megawatts after they get going. Good neighbors are not responsible in Pennsylvania for a hundred and six -- over a hundred and sixty-nine spill sites.

Good neighbors don't fire union workers and replace them with outside

contractors in Pennsylvania, and that's in Local 1600, Union 1600 in Pennsylvania. And in Griffith, Arizona lock out the unions and only hire nonunion help. Good neighbors don't wire Pennsylvania public school classrooms to gain information on students that can help them in their marketing strategies to sell electric to Pennsylvania. Good neighbors don't tamper with coal dust samples in their mines, and be sited for by the Department of Energy and the Pennsylvania Department of Environmental Protection. Good neighbors don't receive unsatisfactory ratings from consumers in their own district in Pennsylvania for one, supplying electric, and two, in their environmental practices.

Good neighbors don't reduce tax liabilities from six point two million to under four hundred thousand dollars and then refuse to pay the lessor amount and be litigated against by school districts in Bangor Pennsylvania and the Town of Bangor for not paying their real estate taxes. Good neighbors don't mislead the public about backup oil requirements And try the circumvent Article 7, which is designed to protect our underground water aquifer. Good neighbors don't flood community meetings with union members to intimidate the residents.

All and all, their track record shows them to be one that we would not want to deal with. In fact, if it were up to me I would not let Pennsylvania Power and Light sell a AAA battery in Suffolk County.

I run my own corporation, and people that work for me know that if you bring a problem to me you better also bring a solution. I bring that to you today also. Right now we have a situation where the tail is wagging the dog. We have outside merchant plants and outside merchant energy companies running around Suffolk County staking claim to land, making applications to the State, circumventing local authorities, causing fear, anguish and frustration in many in many of our communities. I ask you as the Legislators for Suffolk County and our leaders, and those that carry an inherent obligation to serve and protect us to take charge of the situation.

I have met with members of the Public Service Commission. The last thing that they want to do is to rule opposite local authority and favor. They don't want to do that. Let's help them. Let's design a situation where we take charge of our own County and then go to the Public Service Commission for a blessing. It's not that difficult. We do in this in the private sector everyday.

And let me offer a possible road map toward that end. Number one, let's go to the Mr. Kessels, the New York ISO, etcetera, and ask them, how many megawatts to you need for the next ten years taking into account a growth factor and taking into account a reserve. Now we're starting to quantify the problem. Once we take that megawatt number let's go to the electrical engineering experts, the double E men, and ask them, how many megawatts is it feasible for a plant to produce as

to not impact the local residents. They're going to come up with a number. By dividing one into the other they're going to come up with an approximate number of plants that are required to satisfy our future needs for at least the next ten years. And I'm sure that number is going to be either two or three.

Now we've quantified the problem. Where do we go from here? Well, where do we site them? Not as difficult as it may seem. We do this in business everyday. Let's make a spreadsheet. The left-hand side of the spreadsheet we list all of the appropriate sites. Across the top of the spreadsheets we list all of the factors taking in input from everyone concerned including the energy companies, and go out to the right as far as we have to. Nearness to homes, fuel availability, air studies, etcetera. Not that difficult.

Then, if you remember when we went to day camp as kids if there were ten or fifteen of us competing number one got fifteen and the last man in got one. Well, now we grade them. We grade all the sites and once we tabulate the spreadsheet, we now have a pecking order. If we need two or three sites we whack off the top two or three, and then we go to the Public Service commission and say why don't you bless this? They would love it because we're taking a lot of anguish away from them and we're telling them what we believe is correct that we need for our County. We have to take charge.

I leave you with this one comment that my grandfather left me with many years ago. And he said to me, "If you're not the lead dog, then the view never changes."

I brought with me today the head of the Townline Association Advisory Committee, John Mendola and I brought the head of our Scientific Committee, Mark Serotoff, should you have any questions. I would like to leave you today with two items. Number one, Townline Association produces a Townline Times. It's our format for getting out the information. I will leave you each with a copy of it. And additionally we have a scaled map showing the location of the proposed site and the location of all the residents, etcetera around it.

I thank you for your time and I hope you bear with me in light of the fact that my sixth grade English teacher told me the only way that I was going to pass English was to go Mexico and take it as a foreign language. Thank you. Do you have any question?

CHAIRMAN COOPER:

Thank you very much, Mr. Leon. Legislator Haley, I believe you have a

question?

LEG. HALEY:

Yes. How many members of Townline Association do you have?

MR. LEON:

Right now I represent over twenty-three thousand people. We have over ten thousand homes. Each with --

LEG. HALEY:

Let me go back to the question. How many members do you -- it's a dues paying organization?

MR. LEON:

Negative, sir. No.

LEG. HALEY:

All right. It's -- then people sign up as a membership?

MR. LEON:

No, sir. We have supporters and we have people that sign petitions in order for their voices to be heard, but it is not a membership. It is not dues paying --

LEG. HALEY:

So by what divine charter are you automatically the representative of twenty-three thousand people. I don't understand that.

MR. LEON:

The community, the Commack, Kings Park, East Northport, Fort Solonga and so forth, Huntington and Smithtown communities got together and formed Townline Association to oppose the plan.

LEG. HALEY:

Could you define those communities? Who are those communities?

MR. LEON:

Commack --

LEG. HALEY:

Are they civic associations? Are they --

MR. LEON:

No, sir. These are individuals that have joined Townline -- when I

say joined, that's support Townline Association.

LEG. HALEY:

It's still very ambiguous.

MR. LEON:

Yes, sir, it is.

LEG. HALEY:

I'm always -- I'm very sensitive to that, as to when people make representations when they hold themselves out to be the representatives of a community, when there are a lot of times other organizations that are either more representative or more definitively representative, and in fact may make a -- take a position that could be contrary. I'm not familiar with the situation of Kings -- in reference to PPL or anything like that, but I do take exception of you making a representation that you represent twenty-three thousand people for an incorporated association which has not membership fees, has no membership applications, has -- lacks definition.

I mean, I think you have to be cautious in that regard. And I will tell you, not that it necessarily -- and I think you're very well spoken today, not that that may affect how members of this committee might feel, but I think that that could have a profound affect at some point down the line when you're making a presentation before a State, you know Public Service Commission, or I don't know, whoever it might be. I think it's important that you add some definition to that.

MR. LEON:

Your point is will taken and I do have petitions signed by over twenty-three thousand people that I have in my possession.

LEG. HALEY:

And those petitions say I now support the position, any and all positions of Townline Association and that which they may represent on my benefit so on and so forth. Is that what that petition says?

MR. LEON:

That petition says that they support the opposition and whatever it takes to oppose that power plant.

LEG. HALEY:

Okay. I think that's the only fair representation you can make. Thank you.

MR. LEON:

Yes, sir.

CHAIRMAN COOPER:

Legislator Crecca.

LEG. CRECCA:

Thank you. Allen, I have some questions and please don't -- I'm going to challenge you on a couple of things because I -- just as a truth seeking mission not in opposition necessarily so -- and I know you can hold your own with me, that's for sure. And actually your presentation was very informative I think, and very well presented. So, I was able to stay alert throughout the whole thing. So it was very good.

MR. LEON:

Thank you for that.

LEG. CRECCA:

I guess my first question for you is the -- you said something about other locations that are more appropriate.

MR. LEON:

Yes, sir.

LEG. CRECCA:

I think that everyone agrees that we do need some additional power plants to generate additional megawatts here on Long Island, here specifically in Suffolk County.

MR. LEON:

So does Townline, sir.

LEG. CRECCA:

Right. No, I know, I said everyone in Suffolk County does. I guess my question is, is that -- and I've question the appropriateness of the site as you know also because of its relationship distance-wise to residences. But I guess my question is, is obviously your area meaning the corridor running down the Sunken Meadow from the north

shore is a favorable area, let's put it that way for energy companies because of the gas, the main gas lines that run through and also the water supply lines that run through there. And I guess my question is where are these other locations. Because you alluded to places where there's five hundred acres surrounding and all that and I'm asking to be educated.

MR. LEON:

Okay. I don't know that -- I am not a double E man. I don't know that I should be supporting other locations. I do know that if we can send a man to the moon and bring him back without an extension cord, then we can certainly provide safe electric on Long Island. For instance, the Shoreham location, which already has a basic infrastructure is a much larger location that would allow much larger boundaries between any plant and local residents. That -- sites of that nature would be more appropriate than the one in Kings Park.

LEG. CRECCA:

Do they have the available gas supplies, if you know, and if you don't know, I understand.

MR. LEON:

I do not know.

LEG. CRECCA:

One thing I've heard in this debate is, is that part of the problem is, and I've heard it from, not from PPL I've heard it from, you know, others in the energy field that part of the problem is that we want gas burning to the extent that we can, power plants, because obviously they burn tremendously cleaner than oil burning.

MR. LEON:

That is correct.

LEG. CRECCA:

And that is something that we're concerned of. A lot of these Plants that you talked about that KeySpan has, the problem is, is that they are not as -- that efficient, and they let out a lot of pollutants. I'd love to see those plants, the existing plants certainly updated to gas powered where they can be. Again, location sometimes is a problem because of the size of the gas lines. And I guess -- but you don't know of any specific locations, and I'm asking, again, as --

CHAIRMAN COOPER:

Legislator Crecca, if I can interrupt for a second. Perhaps we can call upon our resident energy expert, who I see in the audience. Gordian, would you mind coming up? Now that we've segued to this perhaps you can address this question?

MR. RAACKE:

The availability of natural gas pipe lines is an important question. Currently at Shoreham there's no natural gas supply. The existing facility there is a two hundred and forty megawatt facility approximately. It runs on distillate fuel. There are plans however, to bring a gas pipe line to the Shoreham location. There are currently two proposals that I'm aware of to run a pipeline across the

sound from Connecticut that would terminate either in Shoreham or somewhere on the north shore.

LEG. CRECCA:

Gordian, while your up, are there any other sites that you know that would fit the criteria now to build an energy plant?

MR. RAACKE:

Oh, absolutely. Of course there are a number of other proposals and to the best of my knowledge they are all located very close to existing gas supply pipe lines. You know, the Yaphank sites, there's two of them there and a number of other ones.

LEG. CRECCA:

The other question I have for you, this is for Allen. Allen, why -- and I've never really heard, and I haven't spoken them directly, but Kings Park Civics Association I believe, has officially come out in favor of the plant. Is that correct?

MR. LEON:

Yes, sir. That is correct.

LEG. CRECCA:

Do you know why? I mean, why -- is it because they're not as close to it as you guys are? Is that basically what it is?

MR. LEON:

Well, the fact that -- first of all let's look into the Kings Park situation, and I believe that John Mendola has probably the best insight into that with regard to what the Kings Park Civic Association is actually made up of, John.

MR. MENDOLA:

The Kings Park Civic Association sent out a survey to their membership and I have a copy of it, and they sent it out to approximately three hundred members. Within a weeks period they had a meeting they received back approximately forty responses. Out of that forty I believe it was the vote of twenty-four or twenty-six were in favor of the plant and the balance of either sixteen or fourteen were in opposition.

Now, if you look at the presentation, or the survey that they sent out their major concern is the economics of the tax base. Obviously the Kings Park Hospital is gone and they're are looking to retrieve some of the tax losses --

LEG. CRECCA:

The power plant is in the Kings Park school district; correct?

MR. MENDOLA:

Yes.

LEG. CRECCA:

That I was aware of and I know that certainly could --

MR. MENDOLA:

The concern though is, the representation of the endorsement is approximately -- it's a minimal amount of the residents of that area, and given the structure of Townline Association we have more what we call block captains in Kings Park than they had votes.

LEG. CRECCA:

Right.

MR. MENDOLA:

Aside from that you touched base on something earlier Mr. Crecca regarding the pollution from these older generating plants, and whether they do burn on oil, or they do run on oil. Kings Park's energy proposal is --

LEG. CRECCA:

Includes backup oil tanks.

MR. MENDOLA:

Yeah, which the problem is that they have stated in their preliminary scoping statement if they can't run this facility on oil, then they won't build it.

Now, the concern there is, if they want to be such a good neighbor and we are all aware --

LEG. CRECCA:

I've heard -- and I don't mean to interrupt you, but I looked into that issue too because that was one of the things that concerned me in looking at PPL's plan, and I mean, I've heard different stories even from PPL as to whether -- to what extent they intend to use the oil burning tanks, and that's certainly a question.

And by the way, I may seem like I'm being a little controversial. I'm just trying to get some meat and potatoes, that's why. So, I certainly think that many of the points are very valid, and I still have a lot of the concerns that I raised initially, publicly as to the whether this is a proper location.

MR. LEON:

Let me just piggyback on that for a second. As long as you've opened the door, then I'm allowed to cross-examine the situation.

The Kings Park Association that has come out supposedly in favor of it, I believe if they understood that that is not the only development that could be made on that site that would provide a tax base for them -- I haven't heard anyone except our organization look into it.

Now, I've been in contact with several home builders, several self-storage situations and several condominium people that are willing to go in there and develop the area. That would also give a tax base and they would also sign stipulations as to not effect a tax certiorari in the future.

LEG. CRECCA:

I'm going to ask you one more question. This one I'm being critical a

little bit, so -- but I will preface it by saying that I think that you both individually and as an association, the Townline Association, have done an excellent job in bringing the issues to the forefront in this and in representing that area of Commack in the community so that a lot of things do come to light. Well, actually two things I'm going to bring up. The first one is that -- number one is I understand and I'm glad you came here with a plan and said this is what we think you can do. Cause I was going to -- that was one of the first things I wrote down was well, what can we do as a County.

Ultimately we all know that the Town, the County, has very little to say in whether or not this power plant goes there. You're disagreeing with me, but --

MR. LEON:

Yes, sir --

LEG. CRECCA:

-- ultimately the PSC is going to be the one to decide yes or no.

MR. LEON:

All right. I have met --

LEG. CRECCA:

We have input ability though. I'll give you that.

MR. LEON:

I have met with the PSC.

LEG. CRECCA:

Okay.

MR. LEON:

And the last thing that they want to do is to go against local favor or supercede local laws. If we go to them and say this is what we've developed, bless it, they will be the happiest people in the world.

LEG. CRECCA:

Okay. One other question. There's been criticism in the past that you and your organization have refused to sit down with PPL, you refused to discuss it with them and ask them the questions. And I bring it up because -- and you know my position on this. I think that it's better to go there and voice your concern and have a knock out drag out, you know, back and forth exchange for the lack of a better way of putting it, than to not do that. So I guess what I'm asking you is -- I've heard different things. I heard you are going to meet with them you're not going to meet with them. What are we going to do? Are we going to sit down and meet with them? I've made the offer in the past to sort of broker it if you wanted me to. I know Jonathan Cooper has so --

MR. LEON:

Okay. We're on the record, is that correct? Okay, I publically today, on the record and in front of Mr. Cooper and yourself and the rest of the Legislators and whoever we have here as guests, and I'm sorry to bore the guests, but I will go on record to say that I will

meet with William Hecht from PPL in Pennsylvania at any time.

LEG. CRECCA:

Again, I appreciate it and I hope I wasn't -- I just wanted to get some of that out.

MR. LEON:

You can't play tennis unless someone bangs the ball over the net back at you.

LEG. CRECCA:

Thanks Allen.

MR. LEON:

Thank you very much.

CHAIRMAN COOPER:

Gordian, before you leave I just wanted to ask you one question. One of the main concerns obviously of the Townline Association is whether construction of a plant in Kings Park would be likely to increase pollution emissions in their immediate vicinity. What, based on your

knowledge, is the situation? What would the impact be of a new plant in that area?

MR. RAACKE:

Well, absent any firm guarantee that there would in fact be displacement of existing generation, the air quality could be expected to get worse because you have a additional emissions from additional plant. That doesn't just apply to the Kinks Park proposal. That would apply to any power plant that would be running in addition to the currently existing plants.

So unless there was a scenario where for example you would shut down or refurbish an existing plant to burn cleaner more efficiently, I don't see how the displacement argument holds up.

CHAIRMAN COOPER:

But if the purpose of this plant is to increase overall energy generation, how could that be accomplished if you displaced energy from an older plant, let's say the Northport plant with generation from this new facility.

MR. RAACKE:

Well, let's take the Northport example. If you repowered the Northport unit, meaning if you replaced the old and very inefficient generation there with new and much more efficient and cleaner generation, you would see two things. You would see a clean up of the facility and also a power -- an increase in power output. Typically repowering results in, you know, additional capacity from that plant within the same footprint.

So a repowering scenario would mean that you have additional power to supply increase and demand and at the same time you're cleaning up the existing facilities. So in that case, the developer could argue our proposal will get rid of the old and dirty plants and clean up the air so to speak, and provide additional capacity. That cannot be said of

any of the existing proposals currently underway because none of them are repowering proposals.

CHAIRMAN COOPER:

And also before we leave Shoreham all together, I read in the paper recently that the proposal for the cross sound cable, which at least at this point appears tenuous at best, if that remains dead it would make the Shoreham site more attractive as a possible site for a new plant. Now, could you elaborate on that?

MR. RAACKE:

That's correct, and that's simply because according to the information I received from LIPA and KeySpan the transmission exit capability from the Shoreham site would have been exhausted once we interconnect the three hundred and thirty megawatt cable there. If that cable would not be constructed, then obviously there would be three hundred and thirty megawatts of additional capacity that we could feed into the interconnection at Shoreham.

So that would mean, or it could mean that a three hundred and thirty megawatt plant could be constructed there as long as the fuel supply can be worked out. But the transmission constraint would not exist.

LEG. HALEY:

You're constrained by the transmission line, the three hundred and thirty-five? Okay, you're aware that they're trying to put a gas line there now too?

MR. RAACKE:

Right.

LEG. CRECCA:

Well, that he mentioned before. Actually, my question was on the gas line specifically. Are they trying to bring that over from Connecticut, the gas line?

MR. RAACKE:

Yes.

LEG. CRECCA:

Are the same concerns that were raised regarding the electrical line going to be raised as far as the gas line concern?

LEG. HALEY:

Probably, but I have a quick point to make on that. One of the big differences between the gas line and the electric line is that the gas line will miss the oyster beds and actually go under and avoid all of that. So I think that was one of the major problems with the proposal for the cable, was how it affected the oyster beds. And I think the gas line proposal may mitigate that as a major component anyway of opposition. I don't know what else --

LEG. CRECCA:

Yeah, that was my concern. I didn't know if the gas lines had the same impact environmentally as --

MR. RAACKE:

They would have different impacts, but also they could be completely routing of the gas line. I'd have to look it up now. I don't have it with me, what the proposed route of those various proposals would be.

LEG. CRECCA:

Thank you.

CHAIRMAN COOPER:

Gordian, getting back to the proposal that Allen Leon made regarding the need for a more comprehensive energy plan for Long Island and doing a more detailed analysis of all the possible sites and weighing the pluses and the minuses of each site, do you think that that carries weight and would be a worthwhile enterprise to undertake?

MR. RAACKE:

Absolutely. I think that's -- the first thing that needs to be done is the comprehensive review of need and of the resource option that we have to meet that future need and then making a choice of what the most economically and environmentally acceptable solutions would be. Unfortunately with deregulation we kind threw the road map to our power infrastructure out the window. There's not comprehensive planning at this point. The Public Service Commissions and the siting boards review under Article 10 is very narrow and just looks at that one particular proposal by the one particular power developer. They don't have to compare other maybe more suitable site or proposals. So, yes, I would fully agree with that idea that we need a comprehensive planning approach here.

MR. LEON:

I would like to make one additional comment on that if I might. As soon as anyone hears well, we have to do additional study, everyone thinks right away we're delaying the time that we can plug in something to make more electricity. That in fact is a misconception.

Right now we have opposition to twenty situations and could be held up in years with the siting board, Article 78's, and then the constitutionality issue with regard to the Article 10 process itself. That's a six to ten year situation. If we all decide on a site that's appropriate and put all of our muscle to it, we could have that thing cranked up in ten months.

So instead of delaying it, I believe it's going to accelerate the situation.

MR. RAACKE:

If I may, I just also wanted to point up some of the questions that you've raised are -- we're actually describing some of the facts on that in the Citizen's Advisory panel's quarterly report that I've submitted to you today in draft form. I understand that I'll be asked to elaborate on that at the next committee meeting. But in the meantime, if you have anymore questions you may want to take a look at that.

CHAIRMAN COOPER:

Thank you. Does the committee have any more questions? Thank you

very much for coming this afternoon. I appreciate it.

LEG. CRECCA:

Thank you very much guys.

CHAIRMAN COOPER:

We had one additional speakers card, but I believe that Mr. Horsley had to leave. He dropped off reports for each one of the Legislators. So I'd need like to ask John Ross to come to the front, please. Welcome, Mr. Ross.

MR. ROSS:

Thank you. It seems like this place is emptying out. I'm here because I was asked to become a member of the board of the Long Island Market Authority by the County Executive. My name is John Ross and I'm the former chef owner of Ross' North Fork Restaurant, Southold. I just sold my restaurant in December and I'm now the operator of a small takeout restaurant in Southold.

I was happy to be invited to join this board because Long Island produce and Long Island wines and Long Island seafood have long been an interest of mine and I've had lots of experience in using them at my restaurant. And I think I was sort of instrumental in quoting the term Long Island cuisine, sort of defensively perhaps, but I was sort of instrumental in that. And the market authority looks like an exciting challenge to take a look at whether there's feasibility for having a Long Island market place.

LEG. HALEY:

May I?

CHAIRMAN COOPER:

Please, go ahead.

LEG. HALEY:

Hi, John. How are you?

MR. ROSS:

Good.

LEG. HALEY:

I've had the opportunity to partake of the food not only at their eastern campus, I've been invited there, but I've also had the opportunity to go to Ross' North Fork Restaurant in the past. And it was very good. And I find it interesting how close we are, I mean, the only difference is you say married with three children, interests include American and French wine and all kinds of food and playing golf. We match perfectly except I'm unmarried with three children.

So other than that -- glad to have you aboard. I wholeheartedly support your appointment to this board.

LEG. CRECCA:

Mr. Chairman. Could you define Long Island cuisine? It has nothing to do with your appointment. I'm just curious. How do you define that?

MR. ROSS:

You know, Long Island cuisine is sign is using the products of Long Island and putting an emphasis on the ingredients perhaps more than the preparation method. But I said it's kind of a defensive term because when you are asked to fill out forms for guide books, reviews, advertising and so on, one of the questions that's always on the form is type of cuisine. And going back a long time I had a problem with that question because what they wanted to hear was terms like French, Italian, Continental, fast food, and --

LEG. CRECCA:

It's hard to pigeonhole yourself sometime into one of those known categories.

MR. ROSS:

Right. Long ago, twenty-five years ago before the term was even used much I used the term American cuisine, and I figured that's what my place was. And in the more recent years I said well, just tell them the truth, it's Long Island cuisine and because I'm focussing on the products of Long Island.

I think also the development of the wine industry, I've sort of had a long relationship with the wine industry. I just sort of accidentally opened my restaurant in 1973, the same year that Alex Hargrave planted the first vines in Cutchogue. And since then I carried Long Island wines right from the first release in 1976, and sort I have sort have been associated with them and I've had a great relationship. And Long Island wines are very important to other Long Island products because wines carry a real sort of an emotional attachment that potatoes don't.

Potatoes on Long Island are wonderful. They've been wonderful for a long time. I've used them for a long time, so has everybody else. And one of the things that's facing this market authority is one of the things that even brought the idea about is Long Island produce was getting shipped into Hunts Point Market, which is a major market for the Metropolitan, New York area, and then being trucked back to Long

Island and retailed or wholesaled back to us and the same with fish and seafood going into the Fulton Market and then being brought back out and sold. And the idea is that well, maybe having a market of our own would give more market share to Long Island producers. But also would focus the public's attention on just how many great products we have. And I think if nothing else, my restaurant experience did that. I think people are using that term now and you know, you hear more about it. And so, I'm happy about that.

LEG. CRECCA:

Thank you. That really was informative and interesting too.

MR. ROSS:

Good.

LEG. FIELDS:

Thank you for sharing your expertise and your experience with us, and certainly I am in favor of approving this because what I like to see is appointments where people actually have the credentials to be, you

know, sitting on those committees. And certainly you do have those. Thank you.

MR. ROSS:

CHAIRMAN COOPER:

I second that motion, John. I think you'll be a great addition to the Market Authority and I thank you very much for coming down. And there being no other speakers, I'd like to take this resolution out of order. IR 1313-00 - Approving the Appointment of John Ross as a Member of the Long Island Market Authority (County Executive). I make a motion to approve.

LEG. HALEY:

Second.

LEG. FIELDS:

Second.

CHAIRMAN COOPER:

All those in favor? Opposed? Resolution is approved (Vote: 4-0-0-0). Congratulations.

MR. ROSS:

Thank you.

CHAIRMAN COOPER:

Now we can move to tabled resolutions.

Tabled Resolutions

IR 2286-00 (P) - Adopting Local Law to Require Power Plant Emission evaluations (Fisher).

Does anyone know why that was tabled?

MR. SABATINO:

Yeah, public hearing was recessed again at the April 3rd meeting.

LEG. FIELDS:

Motion to table.

LEG. CRECCA:

Second.

CHAIRMAN COOPER:

All those in favor? Opposed? Resolution is tabled (Vote: 4-0-0-0).

IR 2321-00 (P) - Adopting Phoenix Financial Recovery Program for Long Island (Binder). Is there a motion?

LEG. HALEY:

What is it?

LEG. CRECCA:

I don't know. Explanation from Counsel.

MR. SABATINO:

This is Legislator Binder's proposal to us to settle the tax certiorari, the trifurcated, bifurcated, rate litigation on the basis of giving Nassau County a lump sum, a hundred, a hundred and twenty-five million dollar payment.

LEG. HALEY:

Motion to table.

LEG. CRECCA:

Second the motion to table.

CHAIRMAN COOPER:

Second the motion. All those in favor? Opposed? Resolution is

forcefully tabled (Vote: 4-0-0-0).

Next, IR 1027-01 (P) - Directing County Department of Economic Development to Implement Accounting Requirement for the Downtown Revitalization Program. I'll make a motion to approve.

LEG. CRECCA:

Explanation, please?

MR. SABATINO:

This is Legislator Caracciolo's proposal to apply to downtown revitalization funding, the same kind of standard we now apply to the public safety revenue sharing funds. They're allocated to villages and towns the idea being that they would have to verify back to the County what purposes the moneys were used for to be certain that the stated objectives and goals were actually what the money was expended for.

CHAIRMAN COOPER:

So what checks and balances are currently in place to make sure that that happens?

MR. SABATINO:

Well, right now there's a contract and you know the County Comptroller's Office obviously has the ability to audit the contracts. There's the ability of the County Department of Economic Development to randomly check contracts. This would require actual reports to come back in writing from the organizations that are receiving the money. So the difference is that the burden shifts from the County Department to the entities receiving the funding.

CHAIRMAN COOPER:

And if it were to turn out that the funding was used for a purpose other than what was outlined in the contract what would be the result of that? They would need to return the money to the County or --

MR. SABATINO:

Well, there's two mechanisms. One is either there's an offset in future funding if that's an ongoing entity or there would be a direct refund of the money depending on the nature of the particular organization. But one way or the other you get the money back.

CHAIRMAN COOPER:

So do you believe that there's a -- is there a solid purpose for passing this resolution or would it give us any teeth that we don't

really have right now?

MR. SABATINO:

Well, the Public Safety Revenue Sharing Program has demonstrated very clearly that there are problems out there. For a long time they didn't even -- the towns and villages didn't even comply with those provisions. And the few examples that we've seen, they don't use the money for the purposes set forth. I don't know that the downtown organization is doing that, but based on the track record of towns and villages it would be good to have verification.

LEG. CRECCA:

I guess, you know -- I mean, I guess this really is going to affect the chambers I would think directly because they're the ones -- they're primarily the ones receiving most of the downtown revitalization money. I'd really want to hear more extensively from Budget Review before I'm going to move forward with this bill, and for that reason I'm going to make a motion to table.

LEG. HALEY:

Second.

CHAIRMAN COOPER:

All those in favor? Opposed? Resolution is tabled (Vote: 4-0-0-0).

IR 137-2000 (P) - Memorializing Resolution Requesting LIPA to Bury all Existing and Future Overhead Utility Lines Serving the North Fork and Shelter Island (Caracciolo).

LEG. FIELDS:

Motion to table.

LEG. CRECCA:

Second it.

CHAIRMAN COOPER:

All those in favor? Opposed? Resolution is tabled (Vote: 4-0-0-0).

Procedural Motion No. 1-2001 (P) - Authorizing Funding for the Route 110 Redevelopment Corporation (Postal).

LEG. FIELDS:

Is this the group that gave us a presentation a couple of months ago?

CHAIRMAN COOPER:

Yes, I believe it is.

MR. SABATINO:

This is our fifty thousand.

CHAIRMAN COOPER:

I make a motion to approve.

LEG. HALEY:
Second.

CHAIRMAN COOPER:
All those in favor? Opposed?

LEG. CRECCA:
Hold on. Can I -- I'm sorry.

LEG. FIELDS:
We had a reason for tabling this the last time.

LEG. CRECCA:
Yeah, I -- same here. I'm not comfortable -- where does the fifty thousand come from, and I hate -- and I apologize because I know we went over this, but my memory is at a loss here. Why did we table it if anyone knows, and also if someone could really give us an explanation on the bill again. What's the funding for?

LEG. HALEY:
Where does the funding come from?

MR. SABATINO:
The funding is coming from the Legislative account for projects and studies, which is the other 456 Account. The reason it was tabled was because there was some -- there was some confusion I think with regard to how the two competing versions which are number one and two either supplemented each other or complemented each other or -- I don't want to speak for the members of the committee, but I think what members were saying was they weren't certain as to how each of the two proposals fit together or didn't fit together. And then there was a presentation that was made and I think there was a desire as I heard it to let that presentation kind of sink in and see how it fit into your overall plan.

LEG. CRECCA:
I don't have a copy of -- I have a copy of two procedural motion 2-2000, but I don't have this one, the one that we were considering right now. Oh, hold on a second. Marty's got it.

LEG. HALEY:
Mr. Chairman, I have a suggestion. I think that Legislators may have a problem spending fifty thousand out of the 456 Account, but I'm willing to go along with a discharge without recommendation on both those if you want the other one to go as well.

LEG. FIELDS:
I would second that.

LEG. CRECCA:
Yeah, and I -- that sounds like a good plan to me. We can sort of hash this out on the floor.

CHAIRMAN COOPER:

Okay. That sounds fine. So on Procedural Motion No. 1 we have a

motion to discharge and a second. All those in favor? Opposed?
Resolution is discharged without recommendation (Vote: 4-0-0-0).

On Procedural Motion No. 2-2001 (P) - Authorizing Retention of a
Consultant to Study Economic Development Opportunities for Suffolk
County Route 110 Corridor (Cooper). The same, motion to discharge and
a second. All those in favor? Opposed? Resolution is discharged
without recommendation (Vote: 4-0-0-0).

I believe that's all she wrote.

LEG. FIELDS:

Motion to adjourn.

CHAIRMAN COOPER:

Second the motion.

(*The Meeting was adjourned at 4:22 P.M. *)
Legislator Jon Cooper, Chairman
Economic Development & Energy Committee